

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE

14 September 2020

ADMINISTRATION KEY PERFORMANCE INDICATORS

Note: The data within this report covers the same period as previously reported, as the last Committee meeting was in July and another quarter has not passed since then, however it has been re-submitted as the layout and some of the content has changed following feedback by the Committee at that meeting, in response to changes in processes. The main differences are highlighted in paragraph 4 below

Purpose of the Report

1. The purpose of this report is to present the Fund's performance against its key performance indicators (KPIs) in relation to the administration of pension benefits.

Background

2. In the interests of transparency and to help monitor overall administration performance, officers agreed with Committee and Board to publish quarterly benefits administration key performance indicators (KPIs)
3. KPIs are an important aspect of providing an efficient and effective customer-focussed benefits administration service.

Considerations for the Committee

4. Following feedback by the Committee in the July 2020, officers have been some changes to the structure of this report as follows:
 - a). Appendix 3 now includes a column which benchmarks the processing times against those proposed by CIPFA as part of the Annual Report guidance; the administration strategy targets are tighter but these are still shown alongside so no information is lost. Whilst the Fund undertakes its programme of improvements and reforms, officer propose that monitoring against the CIPFA measures would be more appropriate.
 - b). Following a revision of the process, officers have revised the methodology for the time take to pay a refund. Under the revised process, all members who leave the scheme are given a generic letter shortly afterwards outlining their rights, including whether they would be entitled to a refund. The revised KPI measures the time taken to pay a refund upon receipt of a request from a member to receive it.
 - c). A new Appendix 4 has been added to show the progress in onboarding members on to the member platform (MSS/My Wiltshire Pension) and on to i-Connect. These platforms are a key part of the Fund's strategy to improving its administration function.
 - d). Furthermore, a new Appendix 5 has been added to more effectively split out backlog cases which the Fund currently has. Two, small waterfall charts focussing just on the backlogs replace the three charts which previously illustrated this information, including processes with no backlogs.

e). The processes with backlogs (deferreds and refunds) distort the figures in Appendix 3. As part of the implementation of i-Connect and through process changes, officers intend to 'ring-fence' the backlog work and deal with this separately as process changes will only impact on new, incoming work. Therefore a split has been made between i-Connect and non i-Connect.

5. Furthermore, two metrics with very low volumes has been removed from the Disclosure Regulations tables as the low volumes mean that the percentages measures are of limited use as it implies materiality where there is none.
6. Overall, the focus of officers is very much on making long-term improvements to processes. During 2020/2021, officers are particularly focussed on onboarding as many employers as possible on to the i-Connect platform (see Appendix 4). With time, this will help directly or indirectly improve the measures shown within but in the short-term some decreases in these metrics will be visible.
7. Furthermore, there is a significant focus on improving controls and accuracy, which are not visible within this figures are a key part of improving the robustness of the Fund.
8. During the quarter reported, the focus of key members of the team had been on the end of year process to try to maximise the percentage of annual benefit statements being that were sent.

Conclusions

General comments

Disclosure Regulations (Appendix 1)

9. The table in appendix 1 shows the Fund has generally performing well against these targets. The deferreds and refunds disclosure level has increased significantly due to change in the process. In relation to the measures which are lower than desired. An explanation of the reason for the lower measures are given below:
 - a). Transfers out quote (54%): These cases have been treated as a lower priority in comparison to the payment of benefits, resulting in a lower percentage although this is now being re-assessed to improve this target.
 - b). New joiners (72%): Staff have focused on end of year submissions and i-Connect onboarding during the quarter. This figure may be low in the next quarter due to the time taken to upload Wiltshire Council's first i-Connect return (which covers over a third of active members) and generally while employeres are onboarded onto i-Connect but it is anticipated this will become high once all employers are onboarded.

tPR Common and Conditional Data percentages (Appendix 2)

10. There are no change in these figures since last year however they are included for completeness and show how the Fund compares against other Funds on a like with like basis. Our scores were 97.9% (Common) and 95.4% (Conditional) are above average and top quartile compared against peers in both cases which is reassuring on a relative level although further absolute improvement is still desired.
11. As these figures are revised annually, new figures will be displayed shortly.

Administration Strategy KPIs – Fund (Appendix 3)

12. Chart 1 shows the Fund is operating below its desired targets for most cases mainly for the same reasons as outlined in paragraph 5, although the percentages are stronger against the newly-added CIPFA metrics. Officers have recently increased resourcing in the benefits team and are gradually reviewing processes to improve efficiency and meet our desired timeframes. The initial focus is on the compliance (disclosure) measures outlined in Appendix 1 whilst time is dedicated to delivering long-term improvements and reforms.

i-Connect and My Wiltshire Pension (MSS) onboarding (Appendix 4)

13. The Fund now has close to half of all active members on i-Connect which is good progress and in line with the Business Plan; resource is focussed on improving this percentage over the course of the year. As employer numbers significantly, we have also show the number of employers onboarded. Small employers generally create disproportionate levels work because of the lack of economies of scale hence it is still important to employer-level onboarding improves too so efficiency gains are made.
14. MSS sign-ups are broadly in line with industry-norms after successful attempts to encourage more members to sign up.

Administration Strategy KPIs – Employers (Appendix 6)

15. In the majority of cases, employers provide retirement information before the date the member retires. Employer performance also appears to be fairly consistent across different employers.
16. Employers timeliness should improve with the use of i-Connect, Wiltshire Council (and its academies) went live with effect from March 2020 and they make up a material proportion of the active membership (abeit data was only been added in July for the first return, with April, May and June added shortly afterwards).
17. Further onboarding on to i-Connect will force employers to submit more quickly. We anticipate that over 70% of the active membership covered by 31 March 2020, and potentially much higher. Officers are also currently implementing escalating procedures to chase employers for later submissions.

Environmental Impact

18. There is no environmental impact from this report.

Financial Considerations

19. There are no immediate financial considerations resulting from the reporting of the Fund's performance against its key performance indicators.

Risk Assessment

20. There are no direct risks to the Fund associated with this reporting.

Legal Implications

21. There are no immediate legal implications arising from this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

22. There are no implications at this time.

Proposals

23. The Committee is asked to note the current situation and the Fund's plans for improvement.

Andy Cunningham

Head of Pensions Administration and Relations

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APPENDIX 1 Table 1: Disclosure Requirements (CIPFA template)

Disclosure Regulations

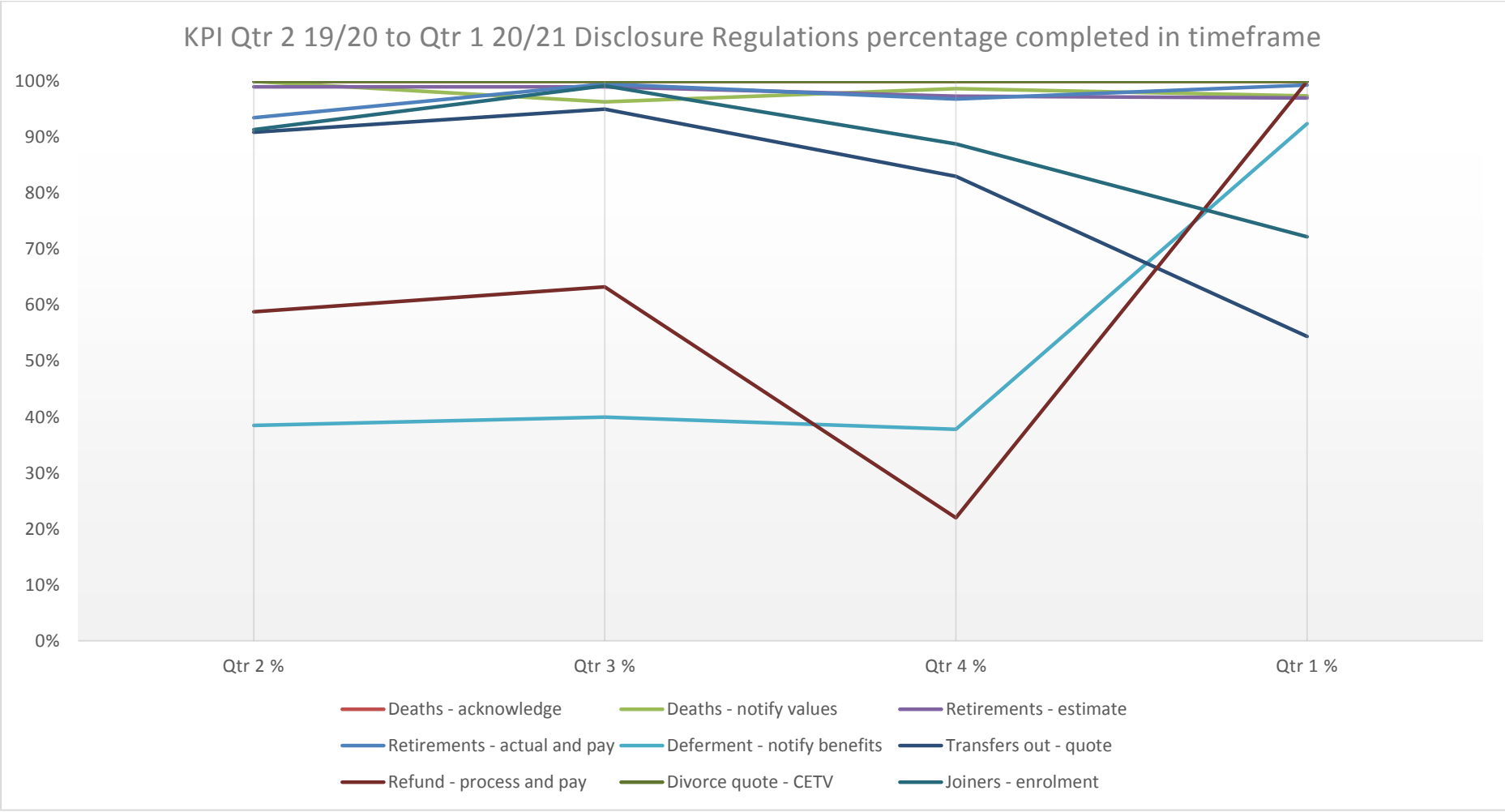
Period 01/04/2020 to 30/06/2020

Process name		Disclosure Requirement	%	No. cases within Legal Timeframe
Deaths - initial letter acknowledging death		2 months	100.0%	147
Deaths - letter notifying amount of dependants pension		2 months	97.4%	143
Retirements - letter notifying estimate of retirement benefits	Active	2 months	n/a	n/a
	Deferred		n/a	n/a
	Total		96.9%	377
Retirements - letter notifying actual retirement benefits + process and pay benefits on time	Active	2 months	100.0%	95
	Deferred		98.9%	169
	Total		99.3%	264
Deferment - calculate and notify deferred benefits		2 months	92.4%	1248
Transfers out - letter detailing transfer quote		2 months	54.4%	81
Refund - process and pay a refund*		2 months	100.0%	77
Divorce quote - letter detailing cash equivalent value and other benefits		3 months	100.0%	60
Joiners - notification of date of enrolment**		2 months	72.2%	342

*This measure has risen due to a change in methodology.

**Officers expect this figure to raise significantly in this quarter due to a change in process.

APPENDIX 1, Chart 1: Disclosure Requirements



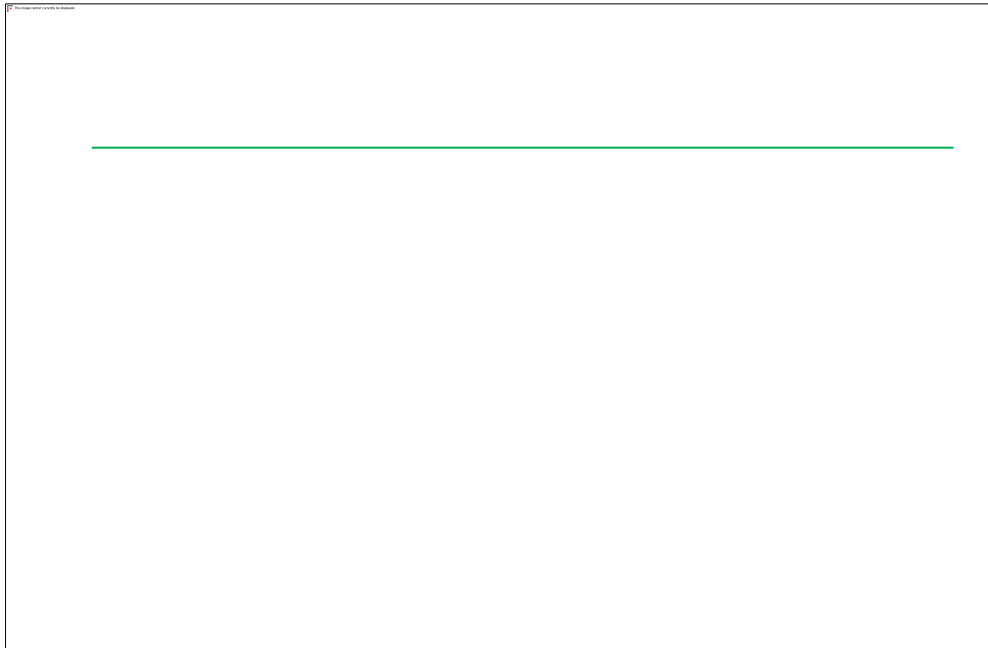
Note: Refunds have increased due to a change in methodology.

APPENDIX 2: tPR Data Quality scores

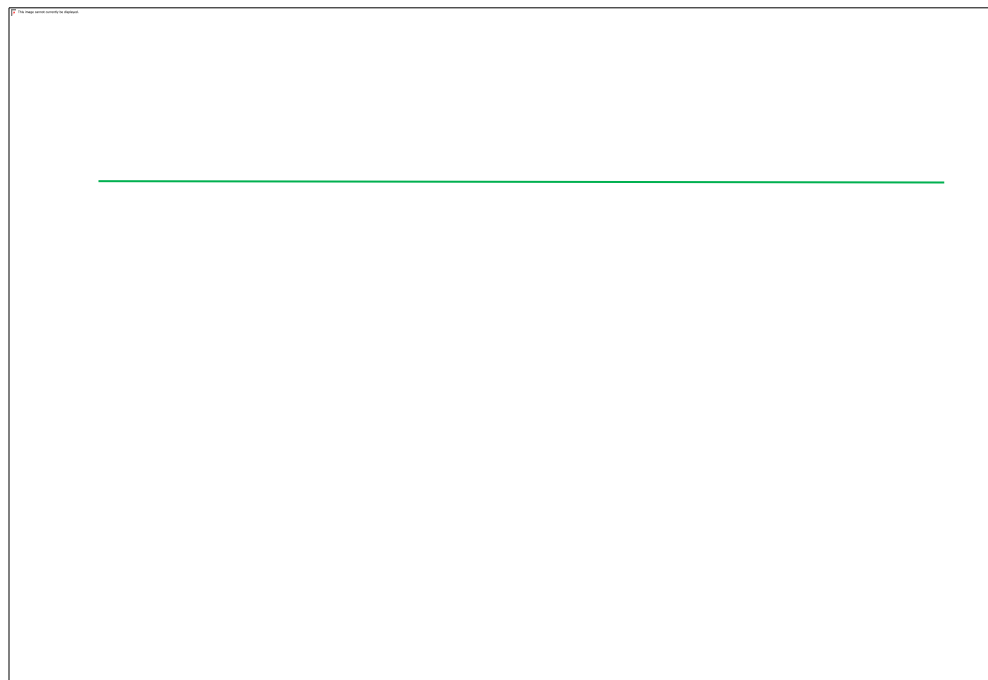
a). tPR Common Data Percentage Breakdown (At 11 October 2019)
Total score = 97.9% (from 94.2%)

b). tPR Conditional Data Percentage
Total score = 95.4%

The charts below show scores across Heywood clients which used the Heywood data quality report on like with like methodology basis.



Wiltshire Pension Fund



Wiltshire Pension Fund

APPENDIX 3: Administration Strategy KPIs - Fund (Table 1)

Wiltshire Pension Fund

Benefit Administration Key Performance Indicators

Period **01/04/2020** to **30/06/2020**

Type of case	Created cases in period	Open cases at period end	Percentage against membership	Completed cases time to complete						Total	Timescales		Notes
											CIPFA (Admin Strategy)		
				0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 + days		% on target (CIPFA)	% on target (Admin Strategy)	
Active to Retirement	103	85	0.4%	12	19	23	13	23	5	95	57%	13%	15 (5)
Deferred in to retirement	224	23	0.1%	79	51	32	5	4	0	171	95%	46%	15 (5)
Processing of Death cases	183	115	0.1%	59	23	29	17	12	7	147	56%	40%	10 (5)
Benefit Estimates	492	33	0.1%	51	54	44	38	154	48	389	38%	27%	15 (10)
Leavers to Deferred status	1586	3405	15.1%	18	3	3	7	30	438	499	9%	6%	30 (20)
Leavers to Deferred status (i-Connect)	38	37	0.2%	0	1	0	0	0	0	1	100%	100%	30 (20)
Refund of contributions	83	9	0.0%	23	39	13	0	2	0	77	99%	97%	10 (10)
Grand Total	2709	3707		242	190	144	80	225	498	1379			
Percentage				18%	14%	10%	6%	16%	36%				

*Note: Refunds as now calculated using a revised methodology to reflect improvements in the process used.

APPENDIX 4: i-Connect and My Wiltshire Pension (Member portal) progress

i-Connect

The following table shows the progress in onboarding employers on to i-Connect. The long-term target is to onboard all employers on to i-Connect and to onboard as many as possible by the end of 2020/2021. Data is based on 20 July 2020:

	Number onboarded	Percentage of total
Active members	10,254 (records)	44.58% (Total = 22,998)
Employers	40	22.98% (Total = 174)

MSS (My Wiltshire Pension)

Following a second write out to members in June, prior to publishing annual benefit statements in August 2020, encouraging members to sign up to the online portal, a further 4,000 members activated their account (covering 5,600) records.

A table summarising the position as at 14 July 2020 is shown below and brings us to a level similar to other Funds:

	RECORDS	MEMBERS
ACTIVE		
Registered	7802	5479
Total	22998	15761
Percentage	33.92%	34.76%
DEFERRED		
Registered	8334	5810
Total	31136	22174
Percentage	26.77%	26.20%
TOTAL		
Registered	16136	11289
Total	54134	37935
Percentage	29.81%	29.76%

APPENDIX 5: Backlog monitoring

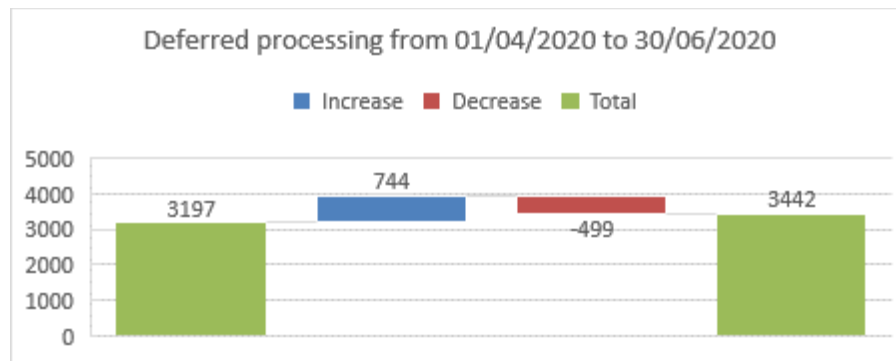
Prior to making a number of process improvements to the refunds, deferreds and aggregations processes, the Fund accumulated processing backlogs in certain areas.

Officers have defined a backlog for a process where there are more than 250 outstanding cases. Where this is the case, officers are sought to ring-fence this area of work and manage the backlog area of work separately.

At present, there are two areas which meet this criteria and current situation in respect of these processes are outlined:

a). Deferred/Refunds

Cases where the member has left and we need to calculate their pension entitlement, but they are not old enough to be able to start receiving their benefits.



b). Internal aggregation cases

These cases are where the member has more than one record at Wiltshire Pension Fund which should be combined together. Members are not financially disadvantaged by delays in completing this work.

Cases currently outstanding: 3, 041

(Analysis similar to the above will be available for future meetings)

APPENDIX 6: Administration Strategy KPIs - Employers (Table 1)

Employer Key Performance Indicators

Administration Strategy

Period 01/04/2020 to 30/06/2020

Type of case	Time to advise							Total	Timescales	
	To Target	Target - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +		% on target	Admin Strategy working days
<i>Retirement</i>	49	2	12	3	3	10	16	95	52%	2
<i>Leavers</i>	30	17	84	20	11	114	223	499	32%	20
<i>Refund of contributions</i>	61	9	13	2	12	34	86	217	45%	20
Grand Total	140	28	109	25	26	158	325	811		
Percentage	17%	3%	13%	3%	3%	19%	40%			

APPENDIX 6: Administration Strategy KPIs - Employers (Table 2)

5 Largest "Managed" Employers

Employer	Managed Records	Time to advise - Retirements							Total	Admin Strategy	Admin Strategy
		To Target	Target - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +		% on target	working days
Wiltshire Council Swindon Borough Council	34154	26	2	5	1	0	6	6	46	57%	2
Police Civilians	2840	3	0	1	1	0	0	0	5	60%	2
White Horse Federation	1922	1	0	1	0	0	0	2	4	25%	2
Wiltshire College	1859	1	0	0	0	0	0	1	2	50%	2
Others	18263	13	0	4	1	3	4	4	29	45%	2
		49	2	12	3	3	10	16	95		
		52%	2%	13%	3%	3%	11%	17%			

Employer	Managed Records	Time to advise - Leavers							Total	Admin Strategy	Admin Strategy
		To Target	Target - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +		% on target	working days
Wiltshire Council Swindon Borough Council	34154	3	0	0	0	1	33	94	131	3%	20
Police Civilians	2840	1	4	10	9	1	8	0	33	76%	20
White Horse Federation	1922	6	0	32	1	1	15	3	58	69%	20
Wiltshire College	1859	1	1	0	1	1	0	1	5	80%	20
Others	18263	15	8	19	6	5	38	105	196	27%	20
		30	17	84	20	11	114	223	499		
		6%	3%	17%	4%	2%	23%	45%			